

Center for American Progress Action Fund



Testimony before the Equal Employment Opportunity Commission

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Thank you Acting Chairman Ishimaru for inviting me to speak to you today on these important issues facing working families. My name is Heather Boushey and I'm a Senior Economist at the Center for American Progress Action Fund.

For over a generation now, families have struggled to achieve the right balance between their responsibilities on the job and their responsibilities at home. Most children—over 70 percent—grow up in a family with either a working single parent or with two parents who both work. Because both men and women are overwhelmingly likely to be working, most families do not have a stay-at-home parent or anyone available to provide care if a family member falls ill. This means that most workers are also caregivers.

The recession is exacerbating these challenges for families. In my comments today, I want to lay out how the recession is affecting families and how it is ever more urgent that we address discrimination in the workplace, especially discrimination against caregivers who can ill afford to lose a job or not receive a promotion in these tough economic times.

The recession thus far is leading to higher unemployment among men than women. As of March 2009—which is the latest data available—men have lost nearly four out of every five jobs shed since the recession began in December 2007. As of February 2009, women comprise half the labor force (49.7 percent). This means that, in millions of U.S. households, a woman is supporting the family.¹

This has a number of implications for families:

- Families will increasingly rely on women's earnings, which are typically lower than men's and are less likely to provide health insurance.
- The poor economy and lack of job creation mean that families will need to ensure that they do what they can to keep parents working. Losing a job because a parent needs some time off to care for a sick child, for example, will create increased hardships for families since finding a new job is now so much more difficult. The

impact of family responsibility discrimination on family well-being is potentially more devastating than ever before.

- Families are increasingly relying on workers who are working less than full-time, so ensuring that those workers have access to health insurance and fair pay is increasingly important.

These new trends, driven by how the recession is playing out, should shape our thinking about what policies are most important to support working families who struggle to balance being good employees with being good caretakers.

Before I move on, I want to say a few words about the recovery plan.

The recession is turning out to be deeper and more protracted than many had predicted few months ago. The American Recovery and Reinvestment Act was a down payment on creating jobs over the coming months and laying the foundation for long-term economic growth. The Council of Economic Advisors estimates that the recovery package will save or create 3.5 million jobs and that about 4 in 10 of these jobs will go to female workers.²

In particular, the recovery package will help states avoid some cutbacks, which places some women's jobs out of jeopardy since women make up the majority of state and local government workers. But most importantly, the recovery package will get the economy back on track, benefiting all kinds of families.

The recovery package alone, however, will not be enough to close the gap completely between what the economy is producing and what our economy has the capacity to produce. Millions will remain idle until the economy gets fully back on track. As we move forward through the budget process, Congress should keep this in mind and continue to focus on programs that can stimulate the economy in the short run. Along these lines, work-family balance policies are an excellent investment in our long-term economic growth and can also provide short-term economic stimulus.

Women are increasingly the breadwinners

Women are taking on the responsibility of supporting families as men's jobs have almost disappeared since this recession began. The share of adult men—over the age of 20—in the United States with a job is at its lowest point ever: 68.2 percent. While men and women had similar unemployment rates at the beginning of the recession, men now have much higher unemployment rates and the percentage point gap between men's and women's unemployment is at its highest ever. Adult men's unemployment has risen by 4.4 percentage points since the recession officially began, to 8.8 percent in March from 4.4 percent in December 2007. Adult women's unemployment has risen by 2.7 percentage points, to 7.0 percent during that same period from 4.3 percent.

Men's job losses have been higher than women's because they work in industries harder hit by the downturn. From December 2007 to February 2009, half of the job losses

occurred in either construction or manufacturing. Men make up nearly all (87.5 percent) of construction workers and have lost 94 percent of the construction jobs. Likewise, men make up more than two-thirds of manufacturing workers, and have lost about that same share of the jobs. On the other hand, women's jobs have been sustained over the past year by hiring in the government, health care, and education sectors.

The recession is amplifying a long-run trend of women's earnings becoming more and more important to their family's economic well-being. Between 1980 and 2006, the share of total family income brought home by a working wife has risen from 26.7 to 35.6 percent. Indeed, among married couples, only those with two earners have seen their inflation-adjusted family income grow since the 1970s.

For years, the media tried to tell us that women didn't want to work, they were "opting out," and their jobs weren't important to their families. This story wasn't true, but it captured the public's imagination because if women had simply gone back home, it would have solved some of our most intractable social problems. Who should care for children after school? Should women earn as much as their male colleagues even if they've spent a few years at home raising the kids? Should employers be required to provide paid time off for family reasons?

Back in reality, families have needed mom's earnings for quite some time. We didn't want to admit it because in doing so, we'd have to finally address how we were going to deal with all the things she used to do for us—for free—before she had a day job. And we'd need to make sure that she was paid fairly on the job.

But now, this recession may allow our economic structures to catch up to the reality that families face every day. While there's nothing good about higher unemployment, it is giving million of families someone with the time to turn that "second shift" into a first shift and assist the breadwinning wives. That's the silver lining that may help families survive these difficult times.

Policies that make sense for working families, even in a recession

Families need policies that ensure that as we rebuild our economy, we recognize and address the fact that both men and women work inside and outside of the home. Families need policymakers to recognize that having caregiving responsibilities should not preclude them from having a good job. The increased importance of women's earnings has implications for a number of other work-life balance issues.

Going back to the recovery for a moment, Congress might consider the Family Income to Respond to Significant Transitions Act, or FIRST, as a policy that could get money to states while making long-term investments in working families. This legislation provides discretionary grants to states to implement programs that provide partial or full wage replacement for those taking leave for birth or adoption or those who are taking leave to care for themselves, their child(ren), spouse, or parent with a serious health condition, as defined by the Family Medical Leave Act, or FMLA. In helping to defray the costs of

setting up these programs, the federal government can encourage states to support working families at a time when families especially need the benefit of paid, job-protected leave.

Because women are supporting more families, pay discrimination has become a more pressing issue for millions of families. Men continue to earn more than women in the workplace, which means that the loss of a man's income can quickly push a family into economic hardship. In three-quarters of dual-earner families, the husband out-earns the wife. The typical wife in a dual-earner family brings home over a third of her family's total income—36.5 percent. When her husband loses his job, they lose just under two-thirds of family income and, in many cases, the family's access to health insurance from his employer.

The lower pay of women is due to a number of factors, but key among them is that many women continue to be paid less for doing the same job as the man sitting next to them. By the most basic measure, women continue to earn 78 cents on the male dollar and much of this gap cannot be explained by the kinds of jobs men and women hold or their skill levels. For example, Blau and Kahn found that 41.1 percent of the gender pay gap remains unexplained. This means that if women worked in the same jobs as men and had the same educational and experience levels, the gender pay ratio would rise from 80 to 91 percent of men's.³

Congress dealt with some of these issues in passing the Lilly Ledbetter Fair Pay Act, but we can still do more. The Paycheck Fairness Act is still sitting in front of the Senate and passing it is critical to ensuring that every worker gets a fair day's pay. Further, the administration can take steps to ensure that the laws we already have on the books are enforced and that workers with caregiving responsibilities are not discriminated against.⁴

Now, more than ever, workers cannot afford to lose a job due to work-family balance challenges. Losing a job in this economy could mean significant hardship for families. No family should cope with a wage earner losing a job because they needed a day off to care for a sick child or family member. Workers have family responsibilities and our policies must recognize this.

In this recession, I urge the EEOC to continue to see combating family responsibilities discrimination, or FRD, as an important goal. As the UC Hastings Work Life Law Center states, FRD "is a form of sex discrimination in which workers are treated worse at work because of their caregiving responsibilities for children, elderly parents, or ill relatives. Most often, FRD occurs when mothers hit the "maternal wall" at work. However, FRD also occurs for fathers who seek to participate in child care and for any worker who cares for an elderly, ill, or disabled parent, child, or partner."⁵

Making sure that no one is fired due to family responsibilities is especially important because the unemployed are finding it increasingly difficult to get back to work. The typical unemployed worker in March had been out of work and searching for a new job since the last week of October 2008 (20.1 weeks), and nearly a quarter (24.2 percent) of

the unemployed had been out of a job for at least six months—the highest level since mid-1983. The problem is that there are many more job seekers than jobs to be had. There are more than four workers unemployed for every job available: In February 2009—the latest data available—there were 12.5 million unemployed workers but only 3 million available job openings.

Establishing job-protected family and medical leave for more workers would help to ensure that no worker is pushed into the masses of the unemployed simply because they needed to care for a sick child or needed time to recover from an illness. Currently, the Family and Medical Leave Act only covers half the labor force because it excludes workers in firms with fewer than 50 employees; bringing this down to smaller employers would limit the unemployment of workers with caregiving responsibilities.

Ensuring that part-time workers have access to health care and fair pay has become more important to families. Many employers have cut hours instead of laying off workers. The share of workers who work part-time hours due to slack work or business conditions is now at its highest since the 1950s. In March 2009, nearly 9 million workers reported working less than full-time due to slack business conditions or because they could only find part-time work.

Employers are reporting that they are asking workers to take shorter hours to avoid lay-offs. Weekly hours worked are at a historically low level, even as employers shed workers. The average number of hours worked fell to 33.2 per week in March 2009. This is fewer hours per week than at any other time since the Bureau of Labor Statistics began tracking the data in 1964. Yet shorter hours or part-time work means that millions will be left without basic benefits such as health insurance coverage and paid time-off unless employers alter their usual practice of not providing benefits to part-time workers.

The increase in part-time workers—especially involuntary part-time work—underscores how important it is to ensure that part-time workers are included in our plans to expand health care coverage. With more families being supported by a female worker who may not work full-time, access to health care benefits will become even more critical for working families.

Families are facing a tough economy. For many, the challenges of balancing work and family have only grown: with jobs scarce, workers are in greater need of family-friendly policies, especially those that ensure job protection. These policies can help to stimulate the economy in the short-term.

References

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Endnotes

¹ Heather Boushey, "Equal Pay for Breadwinners" (Washington: Center for American Progress, 2009).

² Christina C. Romer, and Jared Bernstein, "The Job Impact of the American Recovery and Reinvestment Plan" (Washington: Council of Economic Advisors, 2009).

³ While educational attainment levels lowered the discrepancy in pay between men and women, other productivity-related factors, such as experience, occupation, and industry all increased the gap. Overall, nearly a third of the gender pay gap (27.4 percent) can be explained by differences in occupations, one-fifth (21.9 percent) can be explained by industry, and 10.5 percent can be explained by labor force experience.

⁴ Joan J. Williams, Perspectives on Work/Family Balance and the Federal Equal Employment Opportunity Laws. Paper read at Equal Employment Opportunity Commission, April 17, 2007, in Washington, DC.

⁵ "Current Law Prohibits Discrimination Based on Family Responsibilities and Gender Stereotyping," UC Hastings Work Life Law Issue Brief, Summer 2006, available at http://www.uchastings.edu/site_files/WLL/IssueBriefFRD.pdf.